

A METHOD AND SYSTEM FOR TRANSACTING AN ANONYMOUS PURCHASE OVER THE INTERNET

5 Background of the Invention

The present invention relates generally to a method for making a purchase over the Internet, and more particularly to a method of transacting an anonymous purchase through the use of intermediary credit account information.

10 Currently, a consumer wishing to make a purchase over the Internet must utilize their personal credit card. Secured servers utilized by online vendors accept credit cards and provide protection, via various encryption processes, for the interception of credit card information by third party "hackers". However, even if no "hacking"
15 takes place, the vendor ultimately has the consumer's credit card number. Having the credit card number provides a trail back to the consumer's social security number and other private and personal information which the consumer would not normally circulate.

Possession of the credit card number, in effect, gives the vendor
20 the opportunity to circulate information regarding the consumer, including the consumer's history of purchases which may be utilized for mass targeted mailings as well as any other marketing objectives. In addition, by using ones credit card, those purchases made over the Internet that a consumer may otherwise wish to keep confidential

25 appear on the consumer's monthly credit card statement, and thus are
available to others having access to the statement. In other words,
circulating information relating to the consumer's purchase could prove
to be damaging to the consumer. The current mechanism for
transacting purchases over the Internet could lead to irreparable harm
30 and embarrassment to one's credit standing as well as one's personal
and professional business life. Accordingly, there is a significant need
for a means by which a consumer may confidentially make a purchase
over the Internet.

Therefore, it is desirable to provide a method of transacting an
35 anonymous purchase through the use of intermediary credit account
information. The purchase should be "untraceable" simulating a "cash"
transaction which typically occurs in a typical "bricks and mortar" retail
setting. This need will continue to grow exponentially as commercial
transactions over the Internet continue to grow. Moreover, there is a
40 rapidly growing need for those consumers who do not have access to
a credit card to be able to conduct commercial transactions over the
Internet. For instance, due to their credit history or age, there are
numerous consumers who do not qualify for a credit card account.
These types of consumers are fundamentally prohibited from
45 participating in any Internet commerce transaction.

Summary of the Invention

In accordance with the present invention, a method is provided
50 for transacting an anonymous purchase over the Internet. The method
comprises the steps of: (a) acquiring intermediary credit account
information from a purchasing intermediary; (b) providing transactional
purchase information, including the intermediary credit account
information, to a retailer, where the transactional purchase information
55 is provided by the purchaser using a first computing device of a
computer-implemented purchasing system; and (c) transacting a
purchase between the purchaser and the retailer using the
intermediary credit account information, thereby maintaining the
anonymity of the purchaser.

60 For a more complete understanding of the invention, its objects
and advantages, refer to the following specification and to the
accompanying drawings.

Brief Description of the Drawings

65 Figure 1 is a diagram illustrating the basic components of a
conventional computer-implemented purchasing system;

Figure 2 is a flowchart showing a method for transacting an
anonymous purchase in accordance with the present invention;

Figure 3 is a detailed flow diagram of the method for transacting
70 an anonymous purchase in accordance with the present invention;

Figures 4A and 4B are a front and back view, respectively, of an
exemplary pre-paid purchasing card in accordance with the present
invention; and

Figure 5 is a detailed flow diagram of an alternative method for
75 transacting an anonymous purchase in accordance with the present
invention.

Detailed Description of the Preferred Embodiment

Figure 1 illustrates the basic components of a conventional
80 computer-implemented purchasing system 10. The purchasing system
10 is comprised of a plurality of purchasing computing devices 12
interconnected via a network 14 (e.g., the Internet) to at least one retail
computing device 16. As will be apparent to one skilled in the art, the
computing devices are able to communicate using common
85 communication protocols (e.g., TCP/IP) over different types of network
channels. For illustration purposes, a preferred embodiment of the
computing device is a personal computer (PC). Of course, it will be
appreciated that the principles of the invention can be employed in a
wide variety of computing devices, including but not limited to a
90 telephone, a television or a personal digital assistant (PDA).

In accordance with the present invention, an overview of a method for transacting an anonymous purchase using the computer-implemented purchasing system 10 is shown in Figure 2. First, a purchaser must acquire intermediary credit account information 22 from
95 a purchasing intermediary. Next, the purchaser provides transactional purchase information 24, including the intermediary credit account information, to a retailer, using a purchasing computing device connected to the network 14. Lastly, a purchase is transacted 26
100 between the purchaser and the retailer through the use of the intermediary credit account information, thereby maintaining the anonymity of the purchaser. While the following description is provided with reference to an intermediary credit account, it is readily understood that an intermediary debit account is within the scope of the present invention.

105 A more detailed description of the method of the present invention is provided in conjunction with Figure 3. The method of the present invention operates in a similar fashion to that of a pre-paid phone card. The primary objective of the method is to create a non-traceable means to transact a purchase over the Internet. In order to
110 accomplish this task, there must exist a procedure for converting "real currency" to "Internet currency". In the context of this discussion, "real currency" refers to credit on a credit card or actual currency issued by

a national treasury of any country. Therefore, a currency conversion must take place via an intermediary web site over the Internet or in a
115 "bricks and mortar" retailer.

In the case of the "bricks and mortar" retailer, a pre-paid purchasing card is to be offered by the retailer in various predetermined denominations (e.g., \$25, \$50, or \$100). The consumer would visit the retail establishment 32, such as a 7-11 store, a Wal-
120 Mart store, or a Rite-Aid store, to buy 31 one or more purchasing cards. An exemplary purchasing card 40 is shown in Figures 4A and 4B. The purchasing card 40 includes a unique and non-traceable Master Card or Visa credit account number 42 and an expiration date
44 which allows the consumer the ability to make a purchase(s) over
125 the Internet or in other "bricks and mortar" retail establishments. It is envisioned that the card will have a predetermined expiration (e.g., six month) from the date the consumer activates the card. As will be more fully explained below, there is also a credit limit associated with each purchasing card.

130 Each purchasing card 40 is a non-recourse credit card issued by a credit card provider (e.g., Citibank , BancOne, etc.). The credit card provider sells blocks of purchasing cards to a purchasing intermediary 35. Each purchasing card is sold for a predetermined denomination (e.g., \$23, \$47 or \$97) which corresponds to a credit

135 limit that is associated with the purchasing card 40. The purchasing intermediary 35 in turn sells each purchasing card 40 at a slightly higher cost to a consumer. For instance, a consumer would pay \$25 for a purchasing card 40 which has an available credit limit of \$22. The \$3 difference in cost is a service fee captured by the purchasing
140 intermediary 35. It should also be noted that as additional inducement for providing the actual physical purchasing cards, the credit card provider may receive a fee from the purchasing intermediary for each card which is activated and/or used by a consumer.

The purchasing cards are provided on a consignment basis by
145 the purchasing intermediary 40 to participating retailers 32. Amongst other incentives, the retailer may also receive a fee from the purchasing intermediary for each purchasing card which was purchased at their retail establishment.

The consumer then buys the purchasing card 40 at the retailer
150 establishment 32 either by charging the purchase on the consumer's credit card or through an exchange of actual cash currency. If the consumer elects to buy the purchasing card 40 with a credit card, then consumer's monthly billing statement from the credit card provider simply shows the name of the retailer and the aggregate amount of the
155 purchase. On the other hand, if the consumer elects to buy a purchasing card 40 with cash currency there is no post purchase

confirmation process.

In either case, the credit account number on the purchasing card 40 is not part of the transaction, and thus is not linked to the consumer. In other words, each purchasing card 40 is a "bearer card" which means it is as good as cash. Should the consumer lose or misplace the purchasing card 40, it may be used up to the limit available on the card by anyone in possession of the card. In this way, the purchasing card provides a means for preserving the anonymity of the purchaser in future purchases made over the Internet.

Once the consumer buys the purchasing card 40, they then need to activate 33 their purchasing card 40 by contacting the purchasing intermediary 35. It is envisioned that an intermediary software-implemented application 34 resides on a computing device which is operated by the purchasing intermediary 35. Thus, the intermediary application 34 may be accessed by the consumer via the network 14 using a purchasing computing device 12. More specifically, the intermediary application 34 may be associated with a web site on the Internet, where an address for the web site is provided on the purchasing card 40. The intermediary application 34 is receptive of the credit account number as entered by the consumer and operative to activate the card.

In order to activate their card, the consumer enters the credit

account number shown on the purchasing card into the intermediary
180 application 34. No further information is requested of the consumer.
One skilled in the art will readily recognize that to activate the
purchasing card 40, the intermediary application 34 may interface with
an additional authorization system as provided by the credit card
provider. Upon activation, the consumer has a set time from the
185 activation date to exhaust the available funds of their purchasing card
40. While the above description discusses contacting the purchasing
intermediary via the network, it is readily understood that other means
are available for contacting the purchasing intermediary (e.g., via the
telephone), thereby activating the purchasing card 40.

190 An alternative means for acquiring intermediary credit account
information is described in relation to Figure 5. Rather than visiting a
retail establishment, the consumer may directly access 52 the
intermediary application 34 in order to obtain intermediary credit
account information. Instead of receiving a purchasing card, the
195 consumer merely acquires the intermediary credit account information
over the network 14. In this case, the intermediary application 34 is
receptive of credit card information from the consumer and operative to
provide intermediary credit account information to the consumer.

As part of this process, the consumer's credit card is debited 54
200 for the cost (e.g., \$25, \$50 or \$100) associated with acquiring the

intermediary credit account information. As previously explained, the intermediary credit account information includes a credit account number, an expiration date, and a credit limit (e.g., \$23, \$47 or \$97) which is slightly less than the cost associated with the service. The
205 consumer's monthly billing statement from the credit card provider will simply show the name of the purchasing intermediary and the aggregate amount of the purchase. Again, the intermediary credit account information is not linked to the consumer, thereby maintaining the anonymity of the purchaser in future Internet transactions.

210 Once the consumer acquires intermediary credit account information, they are free to use it to make an online purchase over the Internet as shown in either Figure 3 or Figure 5. The consumer must first accesses a retailer's software-implemented application 37 in order to transact a purchase 36. It is envisioned that the retailer's application
215 37 resides on the retailer's computing device16 which is accessed via the network 14 using a purchasing computing device 12. In particular, the retailer's application 37 may be associated with a web site on the Internet. Furthermore, the retailer's application 37 is receptive of purchase transactional information from the consumer and operative to
220 transact a purchase with the consumer over the network 14.

When the consumer is ready to make a purchase, they are prompted through a series of payment and shipping questions to

provide purchase transactional information. As will be apparent to one skilled in the art, the purchase transactional information describes the purchased goods or services as well as provides payment information from the consumer, including the credit account number associated with the intermediary credit account information. The intermediary credit account information further provides at least some pseudo purchase transactional information to the consumer. For instance, each purchasing card may have the same or a different name listed on the card. When the consumer is prompted by the retailer's application 37 to provide a name, they simply insert the name, for example the name of the purchasing intermediary or "John Smith" as provided on the card. The consumer will also be prompted to provide the credit account number and the expiration date associated with the purchasing card. One skilled in the art will readily recognize that as part of transacting the purchase, the retailer's application 37 may verify that the purchase price does not exceed the credit limit associated with the purchasing card. To do so, the retailer's application 37 may interface with an additional authorization system 39 as provided by either the purchasing intermediary or the credit card provider.

Of course, the consumer is free to make other purchases up to the credit limit associated with their intermediary credit account. In the case the purchasing card, the card can be discarded once the funds

245 on the purchasing card are exhausted. In addition, any residual funds remaining on the consumer's purchasing card may be drawn out (e.g., using any ATM facility or bank) prior to the expiration date by the consumer.

In the event that the purchase is for goods which need to be
250 shipped to the consumer, the consumer will also need to provide shipping instructions. The consumer has two options: (1) provide a shipping address (i.e., home or business address) or (2) utilize a forwarding service provided by the purchasing intermediary. It is noteworthy that the consumer's address does not alone generally
255 ensure access to a consumer's credit history and other confidential personal information. Thus, a consumer may opt to provide a shipping address and yet retain anonymity from the retailer.

In the later case, the goods will be shipped to the purchasing intermediary who will then ship the goods to the consumer. To do so,
260 the intermediary credit account information provides an intermediary shipping address which the consumer can provide to the retailer. The consumer's shipping address may be captured by the purchasing intermediary when the consumer is activating their purchasing card, and then, upon receipt of the goods from the retailer, it is used to ship
265 the goods to the consumer. An additional service fee covering at least up to the shipping costs may be charged by the purchasing

intermediary to the consumer. It is envisioned that the service fee may be debited to the available funds remaining on the purchasing card.

It is widely known that large retailers spend considerable money
270 to circulate discount coupons to consumers. The present invention
offers an alternative distribution channel for these retailers. In
particular, the intermediary application 34 may further be operative to
provide discount coupons to the consumer. While the consumer is
either activating their purchasing card or acquiring intermediary credit
275 account information, the consumer may select from a menu of
participating retailers. The consumer would then be directed to a web
site or other type of software application where they could check to see
if any discount coupons were being offered by the retailer. If so, they
could simply print the coupon on a printer attached to their local
280 computing device 12. The consumer may also be asked to answer a
short series of non-personal questions in conjunction with obtaining the
coupon. The questions are typically designed to determine relevant
product user information. By enabling retailers the ability to offer their
coupons in conjunction with this service, the purchasing intermediary is
285 then able to charge a service fee to the retailer, thereby deriving
another revenue stream.

While the above description constitutes the preferred embodiment
of the invention, it will be appreciated that the invention is susceptible to

modification, variation, and change without departing from the proper
290 scope or fair meaning of the accompanying claims.